2014

Annual Report

For the year ending December 31, 2014

ontario place

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ontario place

Ontario Place Corporation
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An Agency of the Government of Ontario
Ministry of Tourism, Culture and Sport

Chair's Message

On behalf of the Board of Directors and the management team of Ontario Place Corporation, we are pleased to present the operating results for the year ending December 31, 2014.

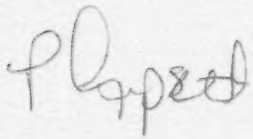
This is the second full year of operations following the government's 2012 announcement of revitalization and partial closure, and the Board and management recognized success on several fronts at Ontario Place.

Most significantly, the $5.795M in self-generated revenues earned in 2014 represented 79% of total revenues. 2014 was the second year of operating with a smaller staff complement, necessitating adjustments to business processes and systems. The management team stabilized operations while generating an increase in site events and revenues within the resource limitations.

Also in 2014, the Board and staff continued to support the Ministry of Tourism, Culture and Sport's future planning efforts for Ontario Place revitalization.

Going forward, the Board remains committed to upholding its responsibilities in governing ongoing operations, supporting revitalization efforts and providing good stewardship for this public asset. This past year, there were several changes to the membership of the Board of Directors. I would like to acknowledge and thank M. Joanne Rider, Victor Severino and Nancy Kennedy for their service to the Board. Further, I would like to acknowledge Jeffrey Kehoe and Timothy Jackson as new additions to the Board during 2014.

On behalf of myself and my Board colleagues, I would like to express our thanks to all former and current management and staff members of Ontario Place for their dedication throughout the year and, to our business partners for their ongoing support. I am pleased to submit the Ontario Place annual report for the year ending December 31, 2014.



Penny Lipsett
Chair
Ontario Place Corporation

Corporate Governance

Ontario Place is an Operational Enterprise Agency of the Government of Ontario and is accountable to the Minister of Tourism, Culture and Sport. The legislative authority of Ontario Place is *The Ontario Place Corporation Act, R S O 1990, c 0 34*. A Memorandum of Understanding (MOU) between the Ministry and Ontario Place sets out the framework for accountability and the relationships between the General Manager and the Minister, the Chair, the Board, and the Deputy Minister of the ministry.

As outlined in the *Ontario Place Corporation Act*, it is the duty of the Corporation to develop, control, manage, operate and maintain Ontario Place. The Board of Directors holds governance accountability, provides strategic direction to the Corporation and is responsible for the effective oversight of its management. Under *The Act*, the Board shall consist of no fewer than seven and not more than 13 members, appointed by the Lieutenant Governor in Council. The Board shall have one member be a director of the Canadian National Exhibition Association.

2014 Board of Directors

Board Member	Term	Remuneration
Penny Lipsett, Chair effective June 30, 2013	June 22, 2005 – October 17, 2015	$1,400
Sonny Cho	May 4, 2011 – May 3, 2015	$945
Linda Franklin* Chair, Strategic Planning Committee	May 7, 2003 – October 4, 2015	$525
Timothy Jackson	October 22, 2014 – October 21, 2015	$158
Nancy Kennedy	June 26, 2013- December 31, 2014	$0
Jeffrey Kehoe	January 29, 2014 – January 28, 2015	$630
M. Joanne Rider	September 8, 2009 – September 7, 2014	$0
Victor Severino	June 26, 2013- December 31, 2014	$0
Winston Young Chair, Audit Committee	December 2, 2009 – December 1, 2016	$1,103

* A Director of the Canadian National Exhibition Association

Senior Management Team

Eriks Eglite	Transition General Manager
Hunter Saggar	Senior Manager, Corporate Services
Mukhlis Mutlag (February – July 2014) Mike Dwyer (from August 2014)	Senior Manager, Operations and Infrastructure
Valerie Holliday	Executive Assistant to the Transition General Manager

Acknowledgments

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following organizations for their cooperation and assistance in 2014:

- Canadian National Exhibition Association
- City of Toronto
- Exhibition Place
- Toronto Port Authority
- Toronto Police Services

Major Revenue Generating Third-Party Agreements

Live Nation Canada Inc.

Ontario Place Corporation has a long-term agreement with Live Nation Canada Inc. for the management and operation of Molson Canadian Amphitheatre. The Molson Canadian Amphitheatre has a capacity of over 16,000 guests. The Molson Canadian Amphitheatre is a summer concert venue that presents domestic and international entertainment.

Atlantis Pavilions Inc.

Ontario Place Corporation has a long-term license agreement with Atlantis Pavilions Inc. for the management and operation of a year-round event and banquet centre in PODs 1 & 2. Atlantis Pavilion's Inc.'s corporate head offices are also located here. The Atlantis facility has a capacity of 1,900 guests and hosts a variety of corporate events and private functions.

Description of Activities

Marina

The Ontario Place Marina has long been a popular mooring facility for boaters due to its proximity to downtown Toronto. Ontario Place has 240 slips available for daily, monthly and seasonal rental. The Marina opens the first Saturday in May and operates through to mid-October.

Parking Lots & Site Rentals

Ontario Place operates four parking lots with a capacity of over 1,500 parking spaces. The parking lots cover 480,000 square feet of outdoor space easily accessible from Lake Shore Boulevard West, major highways, public transit (TTC and GO Transit at Exhibition Station) and the Martin Goodman Trail. The lots generate revenue from individual pay parking for concerts and other events in the area, as well as whole or half lot rentals for a range of corporate, commercial and charity events.

Analysis of 2014 Operational Performance

During this year, staff completed a range of activities in order to stabilize the agency's operations.

Human Resources

- In October 2014, a key change in the Corporation's operations was implemented with outsourcing of the security guard function. As a result, the Corporation's Full-time Equivalent (FTE) cap decreased from 28 FTEs at the beginning of the year,to 21 FTEs at year-end.
- The Corporation continues to employ approximately 40 summer students.

Health and Safety

- The Corporation continues to monitor operations and control site traffic; protect property and corporate assets; and, maintain public safety as more of the site is opened to the public.
- In 2014, the aging infrastructure demanded increased repairs. For a short period in 2014 in order to be compliant with the fire code, OPC posted additional staff during events as additional fire watch. OPC continues to work with the Officer of the Fire Marshall to address, proactively, compliance and Fire and Life Safety concerns throughout the year.
- Fire and Life Safety Plan and the Crisis Management Plan have been updated and are current.
- OPC worked closely with the new security services provider to implement revised security protocols.

Corporate Activities

- OPC continues to review administrative and operational areas for efficiencies and streamlining of processes.
- The new financial system, including a purchasing module, was fully implemented.
- A new phone system was procured and implemented to improve service, tele-communications flexibility for the Corporation, and yield long term, permanent savings against paying ongoing monthly service fees.
- The Corporation's appeal of the Property Tax assessment base dating back to 2009 remains active.
- The Finance unit has streamlined processes to allow quicker receipt of business partner payments. This will ensure a timely close for year-end and an earlier completion of the annual audit.

Operational Activities

- The 155 acres of land and water lots, buildings, green space, roads and infrastructure are managed and maintained by a full-time work force of six (6) staff, supplemented by summer season students. Operations staff also support the expanding year-round Event operations.

Preparation For The Pan/Parapan Am Games

In 2014, the Venue Use License Agreement for Ontario Place and TO2015 was executed. OPC has initiated engagement with various divisions of the Pan/Parapan Games' team to ready "Ontario Place West" for the Games. Planning efforts for the games are well underway as OPC staff are meeting regularly with Games staff regarding Transportation, Pan/Parapan Park Planning and planning as it relates directly to the Ontario Place venue location.

Analysis of 2014 Financial Performance

During the transition to revitalization the following businesses continue to operate:

1. The Molson Ca··· ..'an Amphitheatre
2. Atlantis Pavilions
3. Ontario Place Marina
4. Parking lot operations, with parking lot and site rentals, which include Echo Beach & the Flats.

The overall 2014 financial performance has been summarized from the Audited Financial Statements in the table below.

2014 Financial Performance Summary

	2014 Actuals (000s)	2013 Actuals (000s)
Revenues	$5,795	$5,128
Expenses	($6,357)	($5,755)
Ministry Operating Allocation	$1,500	$2,210
Net	**$938**	**$1,583**

The total 2014 revenues ($5,795,000) represent a 13% increase over 2013 ($5,128,000) actuals for the Corporation. The expenses, noted above, also increased by 10% year over year from 2013 to 2014.

Expenses represent administrative and operating expenses, additional costs related to partial closure, and amortization of capital assets under lease.

Analysis of 2014 Key Revenue Streams and Performance

	2014		2013	
	Gross Revenue ($000)	Performance	Gross Revenue ($000)	Performance
Molson Canadian Amphitheatre	$2,387	405,316 guests	$1,991	360,531 guests
Atlantis Pavilions	$353	38,141 guests	$409	39,257 guests
Marina & Retail Sale	$686	5,712 linear feet moorage	$820	6,055 linear feet moorage
Parking	$1,233	-	$1,047	-
Site Event Rentals	$788	65 Events	$553	76 Events
Other Revenue (cell towers/signs)	$348	-	$308	-
TOTAL	**$5,795**		**$5,128**	

The table above represents an analysis of all revenues attributable to 2014 business units as reported in the the 2014 and 2013 Audited Financial Statements. (note these reports differ in presentation format).

During 2014, OPC posted higher total volumes of visitor traffic despite a drop in site events. The Molson Canadian Amphitheatre, parking and site rental total revenues all increased over 2013 revenues. There were two business areas where there was a drop in gross revenue which were Ontario Place Marina and Atlantis.

Despite the decrease in number of events held in 2014, revenues increased, allowing OPC to meet its planned objective of bringing bigger, multi-day events on site.

Discussion of Performance Targets

The government announced the partial closure of OPC in February 2012 to facilitate revitalization construction. Since the initial announcement several key revitalization related tasks have been completed:

- In August 2012, the government endorsed the Minister's Advisory Panel (MAP) Report.
- In the Fall of 2012, the ministry began to undertake site findings to learn more about the site and market or partner opportunities.
- In June 2013, analysis including scenario planning and options were completed.
- In July 2014, Minister Coteau announced the long-term revitalization vision.

In the interim, the ministry provided the Corporation with clarity and direction to support and enable the government's revitalization goals in 2014. The following 7 operational priorities were set for 2014 and 2015, and in each case the 2014 performance is indicated.

Priority 1:	*The Corporation is to continue to manage agreements with Live Nation for the operation of the Molson Canadian Amphitheatre and the agreement with Atlantis Pavilions Inc. for the operation of the Atlantis convention and banquet facility.*
2014 Performance:	In 2014, both Live Nation and Atlantis Pavillions Inc continued to increase their performance here at Ontario Place with increases of approximately 12.5% in guests for Live Nation and approximately 11% in guests for Atlantis.
Priority 2:	*The Corporation is to continue to work closely with the ministry and Infrastructure Ontario on a strategy for the potential use of other portions of Ontario Place outside of the Molson Canadian Amphitheatre that do affect revitalization-related activities.*
2014 Performance:	The Corporation remained engaged with all ministry planning activities. The Corporation initiated and implemented a strategy to encourage large-scale uses of the site such as large scale events and, although the number of events dropped from 76 in 2013 to 65 in 2014, the number of guests and revenue increased.
Priority 3:	*Maximize revenue generation through site rentals of the parking lots and the expanded use of the "back-of-house".*
2014 Performance:	The Corporation made substantial gains in event management opportunities, including hosting large scale signature events in the back-of-house such as "Race The Place" and film shoots (e.g., "Rookie Blue" television series). As a result, facility rental financial performance, including the parking lot rentals, increased from a total of $553K in 2013 to a total of $788K in 2014, or an approximate increase of 42%.

Priority 4:	*Maintain marina operations with the goal of maximizing revenue.*
2014 Performance:	The Ontario Place Marina has dated infrastructure offering limited amenities during partial closure. As a result, maximizing the Marina revenue was a challenge. While the Corporation worked diligently to maximize revenue overall, total revenue for the marina decreased year-over-year from $820K in 2013 to $686K in 2014, or a decrease of approximately 17%. This was largely the result of the termination of on-site winter boat storage due to site preparations for the new Park and Trail as part of Revitalization.
Priority 5:	*Continue to work with ministry staff and TO2015 to finalize an agreement for the hosting of Pan/Parapan American Game events at OPC in summer 2015.*
2014 Performance:	In 2014, the Corporation executed a venue use agreement with TO2015 and continues to work with TO2015 and the ministry on various Games planning fronts.
Priority 6:	*Work closely with the ministry's Human Resources staff to ensure that flexibility in the deployment of human resources is maximized, while ensuring that the OPC site and assets are secured.*
2014 Performance:	The Corporation continued to work within the human resources directives and policies as well as complying with the FTE cap as set out by ministry.
Priority 7:	*Develop 2014 and 2015 operating budgets that assume no more that $2 million in operating support from the ministry in each year, while taking steps to reduce expenses, identify efficiencies across the organization and manage the cash on hand.*
2014 Performance:	The Corporation continues to submit balanced budgets within the parameters set out by the ministry. In 2014, the Budget was developed in anticipation of a $1,990 Loss before operating subsidies. The Corporation out-performed its 2014 budget and required an operational subsidy of $1.5M, 25% less than budgeted.

Revitalization of Ontario Place: Key Milestones

February 1, 2012
The province announces the closure of the waterpark, amusement rides and the Cinesphere to allow for the revitalization of Ontario Place. A panel of community and business leaders chaired by John Tory was established to advise the Minister of Tourism, Culture and Sport on a new vision for Ontario Place. The Molson Canadian Amphitheatre, Atlantis, marina and parking will remain open until construction begins.

June 5, 2012
John Tory and the Minister's Advisory Panel host an in-person and virtual town hall to gather ideas from Ontarians on what people would like to see at a new Ontario Place.

July 26, 2012
The panel submits to government its report on Ontario Place Revitalization, recommending the site be transformed into a year-round, multi-use waterfront community and urban park for all Ontarians to enjoy.

September 1, 2012
The province begins to research the site to understand what needs to be done to prepare Ontario Place for future development.

June 26, 2013
The province announces the first step to revitalization: a new urban park and waterfront trail on the east island of the site, providing residents and visitor's access to part of the waterfront that has been closed to the public for more than 40 years.

November 12, 2013
The province announces the selection of Design team LANDinc and West 8 for the urban park and waterfront trail — chosen for their extensive local and international experience in planning and designing large waterfront park projects.

December 2013 to March 2014
The province launches public meetings and online consultations encouraging Ontarians to help shape the vision for the park and trail at key stages in the design process. Ontarians also invited to provide feedback on the Environmental Assessment.

March 19, 2014
The developed design for the park and trail is presented at a public meeting. Key features of the park and trail include: an upper and lower park, a ravine gateway honoring First Nations' heritage, a romantic garden, a rocky bluff for play, and a gentle summit to take in the views of Lake Ontario.

July 31, 2014
The province announces its long-term vision for Ontario Place with a proposed mix of features, including: a collection of green spaces, a blue park for water activities, flexible spaces for festivals, live-music year round, a culture, discovery and innovation hub, a canal district with shops and restaurants, conservation of the Cinesphere and pods, and a pedestrian land bridge to Exhibition Place.

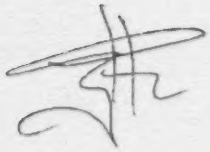
Management's Responsibility for Financial Reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with Canadian public sector accounting standards and of necessity include some amounts that are based on estimates and judgements.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

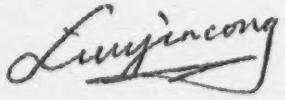
The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with Canadian public sector accounting standards. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditors examination and opinion.

On behalf of management:



Eriks Eglite
Transition General Manager

Hunter Saggar
Senior Manager, Corporate Services



Tsong Liu, CPA, CGA, MBA
Financial Controller

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Independent Auditor's Report

To Ontario Place Corporation
and to the Minister of Tourism, Culture and Sport

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Place Corporation as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Toronto, Ontario
June 4, 2015

Susan Klein, CPA, CA, LPA
Assistant Auditor General

Ontario Place Corporation

Financial Statements

For the Year Ended December 31, 2014

Ontario Place Corporation

Statement of Financial Position
As at December 31, 2014

	2014 ($000)	2013 ($000)
ASSETS		
Current		
Cash – unrestricted	7,423	5,082
Cash – restricted [Note 3]	1,453	1,650
Accounts receivable [Note 4]	1,215	1,426
Inventory	13	27
Prepaid expenses and deferred charges	38	38
	10,142	8,223
Non-current Assets		
Capital assets [Note 5]	109,262	109,876
Capital assets under lease obligation [Note 6]	125	157
Remediation funding receivable [Note 9]	50,000	-
	159,387	110,033
	169,529	118,256
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities [Note 8]	1,834	460
Accrued employee termination benefits [Note 12(B)]	69	154
Current portion of obligations under capital lease [Note 7]	73	57
Due to the Province of Ontario	62	154
Deferred revenue	114	84
	2,152	909
Long Term Liabilities		
Accrued employee severance liability [Note 12(B)]	149	173
Obligations under capital lease [Note 7]	-	73
Liability for contaminated site [Note 9]	50,000	-
	50,149	246
Deferred remediation funding	50,000	-
Deferred capital contributions [Note 10]	7,584	8,198
Unspent deferred capital contributions [Notes 3 & 10]	1,453	1,650
	59,037	9,848
Net Assets		
Invested in capital assets [Note 11]	101,682	101,682
Unrestricted	(43,491)	5,571
	58,191	107,253
	169,529	118,256

Contingent liability [Note 16]
See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation

Statement of Operations
For the Year Ended December 31, 2014

	2014 ($000)	2013 ($000)
Operating revenue [Schedule 1]	5,795	5,128
Administrative and operating expenses [Schedule 2]	(6,323)	(5,941)
Operating deficit before the cost of partial closure	(528)	(813)
Recovery/(cost) of partial closure [Note 15]	(3)	217
Operating deficit before the following:	(531)	(596)
Province of Ontario operating grants	1,500	2,210
Amortization of deferred capital contributions	811	748
Amortization of capital assets	(811)	(748)
Amortization of capital assets under lease	(31)	(31)
	1,469	2,179
Excess of revenue over expenses for the year	**938**	**1,583**

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Net Assets
For the Year Ended December 31, 2014

	2014 ($ 000)			2013 ($ 000)
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	101,682	5,571	107,253	105,670
Liability for Contaminated Site [Note 9]	-	(50,000)	(50,000)	-
Net assets, beginning of year, adjusted	101,682	(44,429)	57,253	105,670
Excess of revenues over expenses	-	938	938	1,583
Net assets, end of year	101,682	(43,491)	58,191	107,253

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows
For the Year Ended December 31, 2014

	2014 ($000)	2013 ($000)
Operating Activities		
Excess of revenues over expenses	938	1,583
Adjustments for items not requiring an outlay of cash		
Amortization of capital assets	811	748
Amortization of leased capital asset	31	31
Amortization of deferred capital contributions	(811)	(748)
Net change in non-cash working capital	1,453	325
Long-term portion of accrued employee severance liability	(24)	6
Cash used in operating activities	2,398	1,945
Capital Activities		
Capital asset acquisitions – net	(197)	(488)
Cash used in investing activities	(197)	(488)
Financing Activities		
Obligation under capital lease principal paid	(57)	(64)
Cash used in financing activities	(57)	(64)
Increase in cash during the year	2,144	1,393
Cash, beginning of year	6,732	5,339
Cash, end of year	8,876	6,732
Cash - unrestricted	7,423	5,082
Cash - restricted	1,453	1,650
	8,876	6,732

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses
For the Year Ended December 31, 2014

	2014 ($000)	2013 ($000)
Schedule 1		
Operating Revenue		
Amphitheatre	2,387	1,991
Parking	1,233	1,047
Concessions and facility rental	1,141	969
Marina	513	671
Other revenue	279	250
Retail sales	173	149
Interest income	69	51
	5,795	5,128
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	1,976	2,102
Employee benefits [Note 12]	346	418
Administration and property tax	2,008	1,585
Utilities	980	921
Site maintenance	489	268
Cost of retail sales	168	155
Janitorial	122	151
Transportation and communications	84	119
Supplies	120	93
Other	30	129
	6,323	5,941

See accompanying schedules and notes to financial statements.

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the Ontario Place Corporation Act R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

Up until February 1, 2012, the Corporation operated a park built on a 155-acre site extending through three islands created using landfill along the Toronto waterfront. The site was intended to provide visitors with an appreciation of the Province's resources and accomplishments. The fees charged for the various services across the park were subject to approval by the Ministry of Tourism, Culture and Sport.

On February 1, 2012 the Minister of Tourism, Culture and Sport announced the partial closure and revitalization of Ontario Place. It was announced that the following operations would remain open while revitalization plans were developed: Ontario Place Marina, Molson Canadian Amphitheatre, Atlantis Pavillion, and the parking lots. All other operations, including the Cinesphere, Waterpark, amusement rides and games and concession stands were closed.

In addition to the various services operated by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies.

The Corporation receives grants from the Province to partially cover the costs of ongoing operations.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations.

(B) ADOPTION OF NEW PUBLIC SECTOR ACCOUNTING (PSA) STANDARD

In 2014, the Corporation early adopted the new PSA standard PS3260 Liability for Contaminated Sites. This section establishes standards on how to account for and report a liability associated with the remediation of contaminated sites. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds the maximum acceptable concentrations under an environmental standard. In accordance with this standard, the Corporation recognizes a liability for remediation of contaminated sites when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Corporation is:
  - directly responsible; or
  - accepts responsibility
- the Corporation expects that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Detailed information on the impact of the adoption of this new PSA standard is provided in Note 9- Liability for Contaminated Site and Deferred Remediation Funding.

C) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related capital asset.

Provincial grants received to remediate contamination on the site are deferred and recognized in revenue when the related remediation costs are incurred.

Revenue from parking, rentals, concessions and marina dockage are recognized when the goods or services are provided.

Revenue from amphitheatre represents rental revenue for the ground lease as determined by contractual agreement.

Revenue is calculated on an escalating scale based on the level of gross revenue achieved at the amphitheatre in excess of a base rent amount.

(D) INVENTORY

Supplies inventory is valued at cost.

(E) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years
Equipment – capital lease	10 years

(F) MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Items requiring significant estimates include liabilities for contaminated site, and the related accounts receivable and deferred revenue to fund this liability. Actual amounts could differ from these estimates.

(G) FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian public sector accounting standards pertaining to financial instruments. The Corporation's financial assets and liabilities are accounted for as follows:

- Cash and Restricted cash are subject to an insignificant risk of change in value so carrying value approximates fair value.
- Accounts receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made to reflect accounts receivable at the lower of cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations.
- Accounts payable and accrued liabilities, Due to the Province and Deferred revenue are recorded at cost.

Ontario Place does not use derivative financial instruments.

3. Cash – Restricted

The following grants from the Province of Ontario are held by Ontario Place as restricted cash:

	2014 ($ 000)	2013 $(000)
Unspent deferred capital grant	1,453	1,650
	1,453	1,650

Unspent deferred capital contributions are described in Note 10.

4. Accounts Receivable

	2014 ($ 000)	2013 ($ 000)
Province of Ontario	500	—
Trade	697	1,414
Other	31	25
	1,228	1,439
Less allowance for doubtful accounts	(13)	(13)
	1,215	1,426

5. Capital Assets

	2014			2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	($ 000)	($ 000)	($ 000)	($ 000)
Land, waterlots	101,660	—	101,660	101,660
Buildings	7,246	2,124	5,122	5,313
Attractions	2,004	1,211	793	967
Equipment, fixtures	3,096	1,517	1,579	1,869
Computer equipment	169	61	108	67
	114,175	4,913	109,262	109,876

The amortization expense for 2014 is $811,000 ($748,000 for 2013).

6. Capital Assets Under Lease Obligation

	2014 ($ 000)	2013 ($ 000)
Equipment (cost)	314	342
Accumulated amortization	(189)	(157)
	125	157

The amount of amortization charged to expense in 2014 is $31,300 ($31,300 for 2013).

7. Capital Lease Obligation

The following is a schedule of future minimum lease payments which expire in 2015 together with the balance of the obligation.

	2014 ($ 000)	2013 ($ 000)
2014	—	57
2015	75	79
Total minimum lease payments	75	136
Interest	(2)	(6)
Balance of the obligation	73	130
Less: current portion	(73)	(57)
	—	73

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities relate largely to normal business transactions with third-party vendors and are subject to standard commercial terms.

9. Liability for Contaminated Site and Deferred Remediation Funding

Effective January 1, 2014 the Corporation early adopted the new PS3260 Liability for Contaminated Sites standard. The standard requires the recognition of a liability for the remediation of contaminated sites in the financial statements when the recognition criteria outlined in the standard are met. This change in accounting policy has been applied retroactively through Net Assets since the effect on specific prior periods is not reasonably determinable.

The Ontario Place site was constructed by lake filling in the 1970s, utilizing urban excess soil that was generated during other development projects in the City of Toronto at that time. At the time of the original park construction, environmental standards for soil and water had not been developed and therefore the use of urban fill material was an acceptable practice. While independent environmental investigations indicate contaminants are present at levels higher than the current allowable standard, the report suggests that visitors at Ontario Place are unlikely to directly contact contaminated soil. The liability estimate is an accounting provision based on the planned redevelopment of Ontario Place for future uses. As a result, the impact on adoption of this accounting standard is as follows:

	2014 ($ 000)
Increase in Liability for contaminated site	50,000
Decrease in opening Net Assets – Unrestricted	(50,000)

The liability is management's best estimate based on environmental investigations performed by independent experts and reflects the costs required to remediate the site.

The Province has committed to provide the Corporation with grants to remediate the contamination.

10. Deferred Capital Contributions and Unspent Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital grants have been deferred together with unspent capital grants. Spent capital grants are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	2014 ($ 000)	2013 ($ 000)
Balance, beginning of year	9,848	10,596
Amount amortized to revenue	(811)	(748)
Balance, end of year	9,037	9,848

	2014 ($ 000)	2013 ($ 000)
Deferred Capital Contributions	7,584	8,198
Unspent Deferred Capital Contributions	1,453	1,650
Balance, end of year	9,037	9,848

Unspent deferred capital contributions are held as restricted cash as described in Note 3.

11. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the amounts financed by deferred capital contributions balance at year end.

12. Employee Benefits

(A) PENSION BENEFITS

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was $98,450 (2013 – $137,770), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements for current employees are accrued for in the financial statements under the long-term accrued employee severance liability. Amounts due to current employees payable within one year are included in accounts payable and accrued liabilities.

Severance and other amounts due to terminated employees are included in accrued employee termination benefits.

The cost of other post-employment non-pension employee benefits are paid by the Ministry of Government Services and are not included in the statement of operations.

13. Property Tax Appeal

The Corporation filed an appeal with the City of Toronto for the tax years 2009-2013. If the appeal is successful, the Corporation would recover a portion of the taxes paid during that period. The amount, if any, cannot be determined at this time because the outcome of the appeal is uncertain.

14. Financial Instruments

(A) LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk arising from its trade accounts receivable. Due to the nature of these receivables, the Corporation recognizes its receivables net of an impairment based on historical trends.

It is management's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risk arising from its other financial instruments due to their nature.

15. Park Revitalization

In July 2014, the Province announced its long-term vision to revitalize Ontario Place. The revitalization of Ontario Place will get underway with the construction of a new urban park and waterfront trail, expected to open in 2017. The next stage of work includes an environmental assessment and land-use planning process, further consultations with Ontarians and soil remediation.

As a result of the closure of most of the park's attractions and the upcoming revitalization, management has recognized the following costs/(recoveries):

	2014 ($ 000)	2013 ($ 000)
Gain on sale of assets	–	(257)
Severance	3	26
Other	–	14
	3	(217)

16. Contingent Liability

As a consequence of the Province's 2012 decision to partially close and revitalize Ontario Place, the Corporation is involved in a legal action relating to operations prior to the partial closure. The cost to the Corporation, if any, cannot be determined at this time because the outcome of this action is uncertain. Accordingly, no provision for this action is reflected in the financial statements. Ultimately, the Province would have to fund any settlement costs.

17. Comparative Figures

Prior year's figures have been reclassified to conform to the current year's presentation.